

**MINUTES OF MEETING
OF THE TRUSTEES OF THE
AFFORDABLE HOUSING TRUST**

A meeting of the Trustees of the Affordable Housing Trust Fund of Rhode Island Housing and Mortgage Finance Corporation was scheduled for Thursday, March 5, at 9:15 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Trustees in attendance were Richard Godfrey, Thomas Hogg and Mr. Marouchoc. Anne Berman, Assistant Director of Development was also present.

Pursuant to Chapter 46 of Title 42 of the General Laws of Rhode Island, notice of the meeting of the Trustees was posted in the Offices of Rhode Island Housing, and at the first floor bulletin board in the State House.

The Trustees convened the meeting at approximately 9:50 a.m.

Approval of Minutes of the Affordable Housing Trust Fund Meeting Held April 10, 2008

Upon a motion made by Mr. Marouchoc and seconded by Mr. Hogg, the following was approved:

VOTED: That the Minutes of the Affordable Housing Trust Fund Meeting held April 10, 2008 be, and hereby are, approved.

Firm Approval of Financing for Pidge Manor

Mr. Godfrey presented this request.

This Request for Action (“RFA”) is for the commitment of Affordable Housing Trust Funds in the amount of \$358,000 for Pidge Manor Apartments (“the Development”), an existing tax credit development. The developer is The ARC of Blackstone Valley (the “ARC”).

Located in the Oak Hill neighborhood of Pawtucket, Pidge Manor Apartments is comprised of 12 two bedroom units, with eight townhouse-style apartments situated above four accessible flats. The development was an early tax credit deal, originally funded in part with Rhode Island Housing Targeted Loan Funds subordinate to the first mortgage which was provided by Fleet Bank. The construction and permanent financing was completed and the project was placed in service in 1993.

The 15-year tax credit compliance period is complete and the property is not subject to an extended use agreement. The current first mortgage holder, Conreal Realty purchased the loan from Fleet Bank approximately 10 years ago to prevent foreclosure, thereby protecting its interests as the existing Limited Partner and ensuring compliance with tax credit program

requirements through the compliance period. The current borrower, Pidge Manor Associates is several years delinquent in payments. Conreal has now foreclosed on the property.

Several clients of the ARC have lived in the property over the past 15 years. The ARC has reached an agreement with Conreal to purchase the property in order to preserve the units and the affordability, and has further agreed to assume the note for Rhode Island Housing's existing Targeted Loan. The ARC proposes to purchase the property from the current owner, rehabilitate the building, and rent the units to individuals and/or households whose income does not exceed 80% of Area Median Income. It is likely that two of the units would be occupied by clients of the ARC. Several other units would be rented to ARC staff, who historically have had trouble finding stable housing. The balance would be rented to income qualified households. The site is well-located, with access to shopping and potential job opportunities. There is also public transportation within walking distance. Nine of the twelve units are currently occupied and the leases for those tenants would be honored eliminating any relocation concerns.

The proposed acquisition financing consists of a portion to be paid to the seller at closing, a second portion in the form of seller financing subordinate to the new Rhode Island Housing first mortgage and the balance through the ARC's assumption of the existing Rhode Island Housing targeted loan fund subordinate debt. The seller also intends to claim a charitable donation to the extent that the value of the property exceeds the acquisition price. The balance of the funds required for the rehabilitation costs and other expenses will come from a Rhode Island Housing first mortgage.

The buildings have been relatively well-maintained over the past 15 years; however, there is some deferred maintenance that needs to be addressed. The rehabilitation will focus primarily on bringing the building into compliance with current fire codes, addressing drainage issues and upgrading units as necessary. The ARC will commission a Capital Needs Assessment before a final scope of work is determined.

The Request for Action is for a Commitment of Affordable Housing Trust funds in the amount of \$358,000.

Upon a motion made by Mr. Hogg and seconded by Mr. Marouchoc the following resolution was unanimously adopted:

**Resolution of the Board of Trustees
of The Affordable Housing Trust Fund**

Whereas: The Affordable Housing Trust Fund (the "Trust") is authorized to make loans to mortgagors or sponsors for the development of housing to be occupied by low- and moderate-income persons or families in Rhode Island;

Whereas: The applicant ("Applicant") listed below has presented an application to the Trust requesting a loan to refinance and rehabilitate 12 units of existing housing as set forth below (the "Development"):

Development

Applicant

Affordable Housing
Trust

**Pidge Manor
Apartments**

**The ARC of Blackstone
Valley**

\$358,000

Whereas: Trustees have reviewed the submission and determined that the Development qualifies for a loan under the Trust Agreement dated July 1, 1988, as amended; and

NOW, THEREFORE, IT IS HEREBY:

Resolved: That, subject to the special conditions listed below, the Trust hereby declares firm commitment of a loan to The ARC of Blackstone Valley or its assignee in an amount not to exceed \$358,000 for rental housing located in Pawtucket, Rhode Island.

Resolved: That the foregoing resolutions are subject to the following conditions:

- Evidence, satisfactory to the Trust, of sufficient financing to undertake the proposed transaction.
- Completion of all items required by Rhode Island Housing for firm commitment and closing in accordance with normal underwriting and processing requirements.

Resolved: That the Trustees are authorized to set the terms and conditions of the loan as they seem advisable and in the best interests of the Trust, and be, and are hereby authorized to take any actions as they deem necessary to carry out this Resolution.

There being no further business, a motion to adjourn the meeting at 9:56 a.m. was made by Mr. Marouchoc and seconded by Mr. Hogg.

Respectfully submitted,

Richard Godfrey,
Secretary and Executive Director